

# **MASTER SERVICE CONTRACT**

**HILAND PARTNERS, LP**

**DATE: 7/23/2008**

THIS CONTRACT is made and entered into on the above date by and between HILAND PARTNERS, LP and its subsidiaries, Continental Gas Operating, LP, Hiland Energy Partners, LLC, Hiland Partners, LLC and Hiland Operating, LLC, hereinafter referred to as "Hiland" and Missouri Well Service, hereinafter referred to as "Contractor."

## **1. WORK TO BE PERFORMED:**

1.1 In consideration of the service or work to be performed by Contractor, as herein contemplated, and in consideration of the payments which are to be made by Hiland therefore, it is contemplated that Contractor will, from time to time, be requested by Hiland, through its duly authorized representatives, to perform certain work or furnish certain services to Hiland. The jobs contemplated are any such work or services performed by Contractor. Contractor will begin each particular job at such time as is agreed upon between Contractor and Hiland's representatives and, once having commenced any such job, Contractor will perform all such service or work in a good and workmanlike manner and when the job is completed such service or work will have been performed to the full and complete satisfaction of Hiland. It is specifically understood that all service and work shall be performed subject to all the terms and conditions of this Contract, and this Contract shall become effective and operative when Contractor first commences the performance of any job or the rendering of any particular service.

## **2. INDEPENDENT CONTRACTOR:**

2.1 It is expressly understood that Contractor is an independent contractor and that neither Contractor nor Contractor's principals, partners, employees, or subcontractors are servants, agents, or employees of Hiland. As an independent contractor, Contractor agrees to comply with all laws, rules, and regulations, whether federal, state, or municipal, which now or in the future may be applicable to all service or work performed hereunder or applicable to Contractor's business, equipment, or employees engaged in or in any manner connected with its performance hereunder. Contractor warrants that it is an expert in the work it will perform, that its employees and agents have been trained to follow all applicable laws, rules, and regulations and work safely, and that all of its equipment has been thoroughly tested and inspected and is safe, sufficient and free of any defects, latent or otherwise. Contractor acknowledges that Hiland will rely upon these representations. Contractor agrees that it will not knowingly permit any employee of Hiland to own an interest in Contractor or to derive any economic benefit with respect to any work or service performed by Contractor hereunder.

## **3. INSURANCE:**

3.1 Coverage. Contractor agrees to procure and maintain, at its sole expense, with solvent insurers and insurers acceptable to Hiland, policies of insurance in favor of Hiland, its parent, subsidiary, affiliated and related companies, and its and their working interest owners, co-lessees, co-owners, contractors and subcontractors, and any others for whom any of the foregoing may be acting; and the agents, directors, officers, employees of any one or more of the above named or described parties (hereinafter all collectively referred to as "Hiland Group") in the minimum amounts outlined in the Exhibits "A" & "B" attached hereto and made a part hereof. It is expressly understood and agreed that the insurance provisions of this Contract, including the minimum required limits of Exhibits "A" & "B", are intended to assure that certain minimum standards of insurance protection are afforded by Contractor and the specifications herein of any amount or amounts shall be construed to support but not in any way to limit the liabilities and indemnity obligations of Contractor. Coverage under all insurance required to be carried by Contractor will be primary insurance and exclusive of any other existing valid and collectible insurance, and each policy will name Hiland Group as additional insured and waive subrogation against Hiland Group and its insurers.

**3.2 Certificate of Insurance.** Contractor shall furnish to Hiland Certificates of Insurance evidencing that proper insurance has been secured; and no work shall be commenced or monies owed for work performed by Contractor until the certificates are properly completed and on file with Hiland (provided that commencement of work or any payment for work without a properly completed Certificate of Insurance shall not constitute a waiver of any rights of Hiland hereunder). Such insurance policies and certificates must provide that written notice will be given to Hiland prior to any material change in or cancellation of said insurance policies. Written notice must be made by registered or certified mail to Hiland at the address provided in Paragraph 9 below thirty (30) days prior to the effective date of such change or cancellation. Upon receipt of such notice, Hiland shall have the right to promptly terminate this Contract, the provisions of Paragraph 7 regarding a thirty (30) day notice period notwithstanding.

**3.3 Accident Reports.** Contractor will immediately provide written notice in the form of the OSHA 301 Form and the Workers Compensation Report of Injury to Hiland of any accidents or occurrences resulting in injuries to persons or property in any way arising out of or related to Hiland's operations or the operations of any Subcontractor of Contractor.

#### **4. INDEMNITY:**

**4.1** Contractor agrees to indemnify, defend, and save harmless Hiland Group (as previously defined in Paragraph 3.1) from and against any and all claims, demands, judgments, defense costs, or suits (including, but not limited to, claims, demands, judgments or suits for property damage, bodily injury, illness, disease, death or for loss of services, or wages or for loss of consortium or society) by Contractor or its Subcontractors or any employees (or their spouses, relatives, or dependants) of Contractor or its Subcontractors (or based on or arising out of such claims) in any way, directly or indirectly, arising out of or related to the performance of this Contract, including Hiland Group's own negligence, or the use by Contractor or its employees of, or their presence on, any premises owned, operated or controlled by Hiland Group.

**4.2** In addition to Paragraph 4.1, Contractor agrees to indemnify, defend, and save harmless Hiland Group (as previously defined in Paragraph 3.1), from and against any and all claims, demands, judgments, defense costs, or suits (including, but not limited to, claims, demands, judgments or suits for property damage, bodily injury, illness, disease, death or for loss of services, wages or for loss of consortium or society) which may be brought by any person or entity against the Hiland Group or in which the Hiland Group may be named a party defendant, in any way, directly or indirectly, arising out of or related to the Contractor's performance of this Contract or the use by Contractor or its employees of, or their presence on, any premises owned, operated or controlled by Hiland Group.

**4.3** Contractor represents that neither the use nor the construction of any tools, equipment, materials, and processes which may be used or furnished in connection with the work under this Contract infringe on any license or patent, and Contractor agrees to defend, indemnify, and hold Hiland Group harmless from any and all claims, demands, judgments, defense costs, or suits of every kind and character in favor of or asserted by or in connection with any patentee, licensee or claimant of any right or priority, whether for patent infringement, trade secret misappropriation, or otherwise.

#### **5. SUBCONTRACTING:**

**5.1** In the event Contractor subcontracts any of the work to be performed or services to be rendered hereunder, or contracts for the furnishing of any services or material by a Subcontractor, then such contracts shall contain indemnity protection and insurance protection for Hiland Group (as previously defined in Paragraph 3.1), a conflicts provision, and an applicable law provision, all identical to those of Paragraphs 3, 4, 8 and 13. Unless such contracts contain such identical provisions, any personnel engaged and property used in the furnishing of such service or work shall be deemed agents and employees and property of Contractor for the purpose of determining Contractor's indemnity obligations and Contractor's other obligations under this Contract.

**6. PAYMENT FOR SERVICES:**

6.1 Contractor shall promptly pay any and all amounts owing for work performed, services rendered, or materials furnished in connection with Hiland's job so that no lien shall ever be permitted to attach to property of Hiland Group, whether real or personal, and Contractor hereby agrees to defend and indemnify Hiland Group for any and all such claims and liens which in any way arise out of or are related to any operations by Contractor hereunder. During the twenty-four (24) month period following the performance of any such work or services or furnishing of materials, Hiland shall have the right to audit the books, accounts, payrolls, and records maintained by Contractor containing information pertinent to such work.

**7. TERM:**

7.1 This Contract will continue in full force and effect until terminated by either party so that Contractor may perform, from time to time, such work and/or render such services as the parties mutually may agree; it being understood and agreed that either party hereto may cancel this Contract by giving the other party thirty (30) days written notice of such cancellation, but neither party hereto shall by the termination of this Contract be relieved of its respective obligations and liabilities in any way arising out of or related to work performed or contracted to be performed or services rendered or contracted to be rendered hereunder prior to the time such contract is terminated.

**8. CONFLICT:**

8.1 The terms, conditions, and requirements of this Contract shall prevail in the event of a conflict with the terms, conditions, or requirements of any work orders, purchase orders, or agreements, oral or written, entered into between the parties through their duly authorized representatives.

**9. NOTICES:**

9.1 Except as provided in Paragraph 3.2 above, all notices, reports, bills, invoices, and other correspondence required or made necessary by the terms of this Contract shall be determined to have been properly served if and when sent by mail or telegram within the time required to the addresses hereinafter listed:

**HILAND:**

Hiland Partners, LP  
P.O. Box 5103  
Enid, OK 73702

**CONTRACTOR:**

Missouri Well Service  
P.O. Box 458  
Belfield, ND 58622

**10. EQUAL EMPLOYMENT OPPORTUNITY AND DRUG TESTING:**

10.1 Hiland is, or may from time to time be, a Federal Contractor subject to compliance with various laws, executive orders, and regulations regarding equal employment opportunity and drug testing. Unless Contractor is exempt from compliance, the equal opportunity clause set out in Title 41, Code of Federal Regulations, Section 60-1.4(a), and the drug testing requirements of Part 199 of Title 49 Code of Federal Regulations are incorporated herein by reference to the extent applicable and made a part of this Contract. Contractor specifically agrees that the provisions of 49 CFR 199.21, including drug testing, education, and training, will be complied with and carried out by Contractor. Hiland may request from Contractor access to properties and records and/or certification of compliance with any such Federal regulations, which Contractor hereby agrees to provide.

**10.2** Hiland has adopted a drug testing program for its own employees in compliance with 49 CFR Part 199. If requested by an authorized agent of Hiland, Contractor hereby consents to a drug screen urinalysis of Contractor's employees, and Contractor hereby agrees that any employee who refuses to consent to a drug screen or who tests positive, will be immediately removed from the operations site. This consent provision does not replace Contractor's obligation under Paragraph 10.1 to have its own drug testing program that complies with 49 CFR Part 199.

**11. ASSIGNMENT:**

**11.1** Contractor may not assign or sublet this Contract, or any part hereof, without the written consent of Hiland. Any assignment or subletting permitted by Hiland shall not relieve Contractor of its obligations hereunder, and Contractor warrants that any assignee will assume all obligations hereunder including the provisions set forth in Paragraphs 3, 4, 8 and 13.

**12. WAIVER:**

**12.1** No benefit or right accruing to Hiland under this Contract (or any amendment or addendum) shall be deemed to be waived unless the waiver is reduced to writing, expressly refers to this Contract, and is signed by a duly authorized representative of Hiland. A waiver in any one or more instance shall not constitute a continuing waiver unless specifically so stated in the written waiver.

**13. APPLICABLE LAW:**

**13.1** This Contract shall be governed by the laws of the State of Oklahoma.

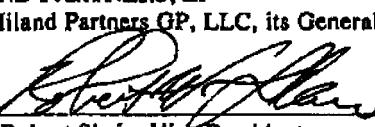
**14. SAVINGS CLAUSE:**

**14.1** If any provision herein is held to be partially or completely contrary to law and/or unenforceable, the Contract shall be deemed to be amended to partially or completely modify such provision or portion thereof to the extent necessary to make it enforceable, or, if necessary, the Contract shall be deemed to be amended to delete the unenforceable provision or portion thereof.

HILAND PARTNERS, LP

By: Hiland Partners GP, LLC, its General Partner

BY:

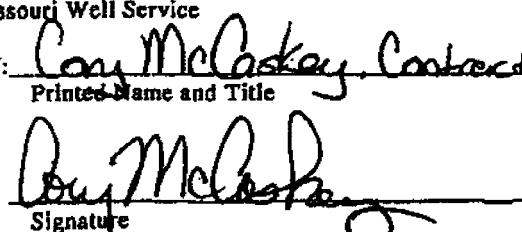
  
Robert Shain, Vice President  
Operations & Engineering

jk

"CONTRACTOR"

Missouri Well Service

BY:

  
Printed Name and Title

Doug McCloskey  
Signature

# MASTER SERVICE CONTRACT

HILAND PARTNERS, LP

## EXHIBIT "A"

### MINIMUM INSURANCE REQUIREMENTS

<u>REQUIRED INSURANCE COVERAGE:</u>	<u>Category #1</u>	<u>Category #2</u>	<u>Category #3</u>
Worker's Compensation	Statutory	Statutory	Statutory
Employer's Liability	\$300,000 CSL	\$ 500,000 CSL	\$ 500,000 CSL
Comprehensive General Liability Bodily Injury & Property Damage	\$500,000 CSL	\$1,000,000 CSL	\$2,000,000 CSL
Automobile Liability Bodily Injury & Property Damage	\$500,000 CSL	\$1,000,000 CSL	\$1,000,000 CSL

#### TYPE OF CONTRACTORS/VENDORS:

Backhoe/Crane Operators	X	
Carpenters	X	
Casing Crews		X
Cathodic Protection	X	
Cement Service		X
Chemical Vendors (Non-haz transp of chem)	X	
Chemical Vendors (Trans/Inj of Haz Chem)		X
Communication Vendors	X	
Compressor/Pump Mechanics	X	
Electrician		X
Fuel (Diesel, Gasoline)-Transportation		X
Gate Guards	X	
Hot Oil or Steamer Service		X
Lease Crews (Roustabouts)/Laydown Crews		X
Location Building		X
Painting Contractors	X	
Salt Water Disposal	X	
Supply Vendors (Routinely del to loc)	X	
Surveyors	X	
Third Party Testing Monitor (On location)	X	
Trailer/Water Tank Vendors	X	
Trucking-Oilfield (Non-hazardous material)	X	
Vacuum Trucks	X	
Weed Killing	X	
Welders		X
Not Otherwise Classified		X

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HILAND PARTNERS, LP

## EXHIBIT "B"

### MINIMUM INSURANCE REQUIREMENTS

**The following apply to all policies:**

1. Hiland Group\* shall be included as additional insured on all policies (except Worker's Compensation coverage)
2. All policies will contain a Waiver of Subrogation in favor of Hiland Group and its Insurers
3. Thirty days written notice to Hiland Group of cancellation or any material change
4. Coverage under all insurance required to be carried by Contractor will be primary insurance and exclusive of any other existing valid and collectible insurance

**A. Worker's Compensation and Employer's Liability, to include:**

1. Statutory Worker's Compensation for state of hire/operation
2. Employer's Liability
3. Other States Insurance
4. Voluntary Compensation
5. Alternate Employer/Borrowed Servant

**B. Comprehensive General Liability (Occurrence Form), to include:**

1. Premises/Operations
2. Independent Contractors
3. Personal Injury
4. Products/Completed Operations
5. Blanket Contractual Liability
6. Explosion, Collapse and Underground
7. Sudden and Accidental Pollution Liability

**C. Comprehensive Automobile Liability, to include**

1. Owned vehicles
2. Non-Owned vehicles
3. Hired vehicles

**D. All policies of Insurance shall be placed with American Insurance Companies rated by A.M. Best Company B V or higher or with Underwriters at Lloyds of London or the Member Companies of the Institute of London Underwriters. No other insurer may be used without specific written authorization from Hiland Group.**

Hiland Partners, LP reserves the right to require certified copies of any or all policies.

The above minimum insurance requirements are subject to change at the discretion of Hiland Partners, LP.

\* As used herein, "Hiland Group" is defined as: Hiland Partners, LP, its parent, affiliated and related companies and its and their working interest owners, co-lessees, co-owners, contractors and subcontractors, and any others for whom any of the foregoing may be acting; and the agents, directors, officers, and employees of any one or more of the above named or described parties (hereinafter collectively referred to as "Hiland Group").